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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BENJAMIN THOMAS SPANGLER

Appeal 2016-003221
Application 14/334,388
Technology Center 3700

Before JOHN C. KERINS, EDWARD A. BROWN, and
LYNNE H. BROWNE, *Administrative Patent Judges*.

BROWNE, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Benjamin Thomas Spangler (Appellant) appeals under 35 U.S.C. § 134 from the rejection of claims 1–7 and 9–18. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

CLAIMED SUBJECT MATTER

Claims 1, 9, and 15 are independent. Claim 1, reproduced below, illustrates the claimed subject matter:

1. A method of conducting a lottery game, comprising:
receiving a plurality of requests to play the lottery game from a plurality of players;
generating cards for said plurality of players with the cards including characters selected from a set of available characters, each of said cards including a first game comprising a first sequence of the characters, and a second game comprising a multidimensional grid selected from a bank of grids with one or more additional sequences of the characters, each of the grids in the bank of grids having fewer than a predetermined number of any one of the characters, and the grids in the bank of grids together having a total number of possible winning combinations below a predetermined threshold;
after the cards are generated, randomly selecting three or more of the characters from the set of available characters as a winning combination;
awarding a first prize to said cards with the winning combination matching the first sequence; and
awarding a second prize to said cards with the winning combination matching any of the additional sequences.

REJECTIONS

- I. Claim 14 stands rejected under 35 U.S.C. § 112, second paragraph, as being indefinite.
- II. Claims 1–7 and 9–18 stand rejected under 35 U.S.C. § 101, as being directed to non-statutory subject matter.

DISCUSSION

Rejection I

Appellant does not contest this rejection. *See, generally*, Appeal Br. Accordingly, we summarily sustain the rejection of claim 14 as indefinite.

Rejection II

Claims 1–7

Appellant argues claims 1–7 together. *See* Appeal Br. 6–7, 9–10. We select independent claim 1 as the representative claim, and claims 2–7 stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

The Examiner determines that claim 1 is directed to a method of playing a lottery in which the game rules are abstract and the claim “seek[s] to preempt any and all uses of the rules.” Ans. 2 (citing *Gottschalk v. Benson*, 409 U.S. 63 (1972)); *see also* Final Act. 2–3. The Examiner states that “the Federal Circuit has ruled that managing a game is a method of organizing human activity and therefore an abstract idea.” Ans. 2 (citing *Planet Bingo, LLC v. VKGS LLC*, 576 Fed. App’x 1005, 1007 (Fed. Cir. 2014)). The Examiner further states that the claims “do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional elements amount to insignificant extra-solution activity on an art-generic computer.” *Id.* at 3. According to the Examiner,

[t]he game also consists of a series of mental steps that can be carried out by a human using pen and paper as is evidenced by the claims – which do not claim a computer implementation. It is well-settled law that such a method is an abstract idea and is not patent eligible without “significantly more”.

Id. (citing *Cyber-Source Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1371 (Fed. Cir. 2011); *Parker v. Flook*, 437 U.S. 584 (1978); *Gottschalk*, 409 U.S. at 67).

In regard to preemption, the Examiner states:

Suppose there was a claim to the rules for tic-tac-toe. If such a patent issued, anyone who played tic-tac-toe would infringe upon that patent. If a person played it on a computer, he would infringe. If a person played it on a piece of paper, he would infringe. If a person played it on a chalkboard, he would infringe. If a person played it in the sand at the beach, he would infringe. Thus the claims would preempt any and all uses of those rules.

Id. at 4. The Examiner also notes that “[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.* at 5 (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)).

Referring to paragraph 43 of the Specification, the Examiner explains that the “specification makes it clear that, to the extent that the cla[i]med method is implemented on a computer at all, the computer is a generic computer.” *Id.* at 4 (citing Spec. ¶ 43). The Examiner states that “[n]one of the claims recite any type of hardware or software that could be considered ‘significantly more’. These are bare method claims that can be carried out by a person using pen and paper and cannot be considered patent-eligible.” *Id.* at 5.

Appellant contends:

The claim as a whole is not directed to an abstract idea. Particularly, the claim limitation “generating cards for said plurality of players” states specific limitations that cover patentable subject matter. Further, the inclusion of specific aspects of the cards with first and second games each with sequences of characters establishes a specific scope of the claim.

Appeal Br. 6. According to Appellant, “the claims of the present application are not directed to rules of playing a game or to game play. Rather, the claims are directed to methods of conducting lottery games.” Reply Br. 1. Appellant argues that “[e]ach of independent claims 1, 9, and 15 include[s] specific concepts regarding the generation of game cards. This generation is not a mere rule of the game.” *Id.*

Concerning preemption, Appellant asserts that “[t]he claims are written in a manner to prevent preemption of a generic, abstract concept” in which “[t]he claims are directed to specific aspects of conducting a lottery by generating cards that include grids.” *Id.* at 2. Appellant takes issue with the Examiner’s reasoning that “the pending claims would preempt any and all of the rules and therefore would result in infringement by anyone who would play the game.” *Id.* (citing Ans. 4). Appellant contends that “[t]his is not accurate at least because the pending claims require the generation of the cards in order to conduct the game.” *Id.*

Appellant further asserts that “[t]he ability to carry out a claimed method on pen-and-paper does not result in the claim being patent ineligible,” and that “[w]hat is an over-riding consideration for patentability is whether the claims include only mental steps. That is not the situation with the pending claims. It is not possible for one to mentally prepare game cards as required in the claims.” *Id.* at 3.

Appellant also contends that the dependent claims “add further details demonstrating that the invention is not an abstract idea,” in which “[d]ependent claim 2 includes that the available characters include the numbers 0–9, claims 3 and 4 include that the game has sequences of three

characters, [and] claim 5 includes that the multidimensional grid is 3x3 and includes nine cells.” Appeal Br. 7.

The Supreme Court has set forth “a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs, Inc.*, 132 S. Ct. 1289, 1294 (2012)). According to the Supreme Court’s framework, we must first determine whether the claims at issue are directed to one of those concepts (i.e., laws of nature, natural phenomena, and abstract ideas). *Id.* If so, we must secondly “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* The Supreme Court characterizes the second step of the analysis as “a search for an ‘inventive concept’ — i.e., an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.*

Claim 1 is drawn to “[a] *method of conducting a lottery game*” comprising the steps of “*receiving a plurality of requests to play the lottery game from a plurality of players,*” “*generating cards for said plurality of players with the cards including characters selected from a set of available characters . . .*,” “*after the cards are generated, randomly selecting three or more of the characters from the set of available characters as a winning combination,*” “*awarding a first prize to said cards with the winning combination matching the first sequence,*” and “*awarding a second prize to*

said cards with the winning combination matching any of the additional sequences.” Appeal Br. 13 (Claims App. (emphases added)).

The instant claims — directed to a method of conducting a lottery game which is a wagering game — are similar to the claims at issue in *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016). In *Smith*, the claims were directed to a “method of conducting a wagering game.” *See id.* at 817. The court stated: “On the first step, we conclude that Applicants’ claims, directed to rules for conducting a wagering game, compare to other ‘fundamental economic practice[s]’ found abstract by the Supreme Court.” *Id.* at 818. *See also id.* at 819 (“[W]e conclude that the rejected claims, describing a set of rules for a game, are drawn to an abstract idea.”).

Appellant’s claimed method of conducting a lottery game using *a first game* and *a second game* is also similar to claims directed to “managing a bingo game while allowing a player to repeatedly play the same *sets* of numbers in multiple sessions” that were held as patent-ineligible subject matter. *Planet Bingo, LLC*, 576 Fed. App’x at 1007. There, it was determined that the claimed method of managing a game of bingo is an abstract idea because the method ““consists solely of mental steps which can be carried out by a human using pen and paper”” and “is similar to the kind of ‘organizing human activity’ at issue in *Alice*.” *Id.* at 1007–08 (citing *Alice Corp.*, 134 S. Ct. at 2347, 2356). Like the steps of “selecting, storing, and retrieving *two sets of numbers*, assigning a player identifier and a control number, and then comparing a winning set of bingo numbers with a selected set of bingo numbers” at issue in *Planet Bingo* (*id.* (emphasis added)), the claimed steps of generating cards for players, that include characters for *a first game* and *a second game*, selecting a winning combination, and

awarding a first prize and a second prize, are steps that are directed to organizing human activity and are “mental steps which can be carried out by a human using pen and paper.” *Id.* While Appellant contends that “[i]t is not possible for one to mentally prepare game cards as required in the claims” (Reply Br. 3), the claimed process of receiving requests and providing characters can be carried out without a physical card being generated. In this regard, we note the Examiner’s reference to paragraph 12 of the Specification, disclosing that “[t]he game ticket may be one of a physical game ticket *or a virtual game ticket.*” Ans. 6 (emphasis added). Claim 1 does not preclude use of a virtual game ticket. Further, the aspect of generating a card is discussed below in response to Appellant’s contention, and also with respect to the second step of the *Alice* framework.

Because claim 1 is drawn to a method of conducting a lottery game that merely requires receiving requests, generating cards, randomly selecting characters, awarding a first prize, and awarding a second prize, we find that claim 1 is directed to the abstract idea of organizing human activity that includes wagering and managing games. This finding fulfills the first step of the *Alice* framework in that we determine that the claim 1 is directed to an abstract idea.

Appellant further argues that the claim is not directed to ineligible subject matter because the claim requires a step of “generating cards for said plurality of players,” or because of “the inclusion of specific aspects of the cards with first and second games each with sequences of characters.” Appeal Br. 6; *see also id.* at 9 (where Appellant argues that “[t]he claim is narrowly directed to the novel aspect of generating a card that includes two different games.”); *id.* at 10 (where Appellant argues that “[a] significant

improvement in the lottery game art is that the grids used in the generated cards have fewer than a predetermined number of any one of the characters.”). However, the inclusion of physical elements (assuming the claimed generated cards are physical elements) does not necessarily render the claim patent eligible. For example, in *Smith*, the recited method “describing a set of rules for a game” was determined to be drawn to ineligible subject matter despite, for example, including the step of a “dealer providing at least one deck of . . . physical playing cards and shuffling the physical playing cards.” *Smith*, 815 F.3d at 819, 817. Appellant does not convincingly explain why the claimed method is not abstract simply because it employs generated cards. Accordingly, Appellant’s argument is unconvincing.

Appellant further reiterates that “[t]he claim is narrowly directed to the novel aspect of generating a card that includes two different games” (Appeal Br. 9), argues that “[a] significant improvement in the lottery game art is that the grids used in the generated cards have fewer than a predetermined number of any one of the characters” (*id.* at 10), and argues that the dependent claims add details concerning characters, sequences, and a multidimensional grid. *Id.* at 7.

However, the elements in the claims such as “*generating* cards for said plurality of players with the cards including characters selected from a set of available characters. . .,” and “after the cards are generated, *randomly selecting* three or more of the characters from the set of available characters as a winning combination” (emphasis added), are insignificant activities that do not “add more” to the concept of organizing human activity via conducting a lottery game. As noted by the Examiner and discussed *supra*,

claim 1 does not specify how the cards are generated and, in fact, the cards could be generated using a pen and paper, or virtually. Claim 1 sets forth steps for conducting a lottery game, not steps for generating cards. Thus, the generated cards, as noted by the Examiner, amount to “insignificant extra-solution activity,” which does not amount to significantly more than the abstract idea or transform the abstract idea to an eligible application. Ans. 3–4.

Furthermore, even assuming that the method of claim 1 is a novel process, and a nonobvious modification of some known process, as the Supreme Court has stated, “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981).

Appellant’s contention that “[t]he claims are written in a manner to prevent preemption of a generic, abstract concept” (Reply Br. 2), is also unpersuasive. As the Examiner points out, “[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” See Ans. 5 (quoting *Ariosa Diagnostics, Inc.*, 788 F.3d at 1379).

For these reasons, we sustain the Examiner’s decision rejecting claim 1, and claims 2–7 which fall therewith, as being directed to non-statutory subject matter.

Claims 9–18

The Examiner’s rejection of independent claims 9 and 15 is based on substantially the same findings and reasoning as employed in the rejection of claim 1. *See* Final Act. 2–3; Ans. 2–5.

Appellant argues that, in regard to claim 9, “[t]he claim limitation ‘generating a plurality of cards’ is a particularly concrete aspect. The inclusion of specific features about the first and second games further demonstrates that the claim is not abstract.” Appeal Br. 7. Appellant also contends that “[t]he dependent claims add further specific details demonstrating that the claims are not abstract.” *Id.*

Appellant argues that, in regard to claim 15,

the specific claim limitation of ‘reproducing cards for players participating in the lottery game’ is not abstract. Further, the cards that are reproduced include first and second games with the first game including a first sequence of characters and the second game including one of the multidimensional grids that were previously generated and stored.

Id. at 8. Appellant also contends that “[d]ependent claim 17 includes specific aspects about the cards. The second game includes a multidimensional grid with a total of nine cells in a 3x3 arrangement.” *Id.*

As discussed *supra*, the inclusion of the generated cards does not render claim 1 patent eligible. The limitations in independent claims 9 and 15, as well as in dependent claim 17, directed to more specific features of the insignificant extra-solution activity (i.e., in this instance, the limitations directed to generation of grids to be used on the cards) do not make that activity more significant with respect to the claimed method of conducting a lottery game. Such limitations do not “add more” to make the abstract idea

of conducting a lottery game more concrete such that they transform the abstract idea into patent-eligible subject matter.

For these reasons, we sustain the Examiner's decision rejecting claims 9 and 15, and claims 10–14 and 16–18 which fall therewith, as being directed to non-statutory subject matter.

DECISION

The Examiner's rejection of claim 14 under 35 U.S.C. § 112, second paragraph, as being indefinite is affirmed.

The Examiner's rejection of claims 1–7 and 9–18 under 35 U.S.C. § 101, as being directed to non-statutory subject matter is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED